



# Frequently Asked Questions

(and Answers from the SCAO/FOCB)

**FAQ 2004-02**

**November 12, 2004**

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This FAQ answers common questions related to the lump sum payments and processing.

- #1 Q. Where can I find a copy of the 2004-04 Administrative Memorandum concerning lump sum payments?**
- A. You can access the administrative memorandum by going to:  
<http://courts.michigan.gov/scao/resources/other/scaoadm/2004/2004-04.pdf>
- #2 Q. How do I enter lump sum payment orders into the MiCSES?**
- A. The Office of Child Support has issued Action Transmittal 2004-33 detailing how lump sum payment orders are entered into MiCSES. You can access the action transmittal by going to: <http://mi-support.cses.state.mi.us/policy/stateat/pdf/AT2004-033.pdf>
- #3 Q. Are there any unintended consequences to any particular way of treating lump sum payment arrearage payments in MiCSES?**
- A. OCS has identified that treating a lump sum payment as due only as installments come due may artificially inflate the current child support obligation and may negatively affect incentives if it is not collected. Data reliability also may be negatively affected as lump sum obligations do not meet the federal description of current support.
- Courts should recognize that allowing the payer to pay past-due support in would be a deviation from the Michigan Child Support Formula which requires payment of arrearages as quickly as possible.
- #4 Q. Are there any ways of treating lump sum payments as due only when an installment is due without negatively affecting incentives or the federal definition of current support?**

- A. If the entire installment became an arrearage upon default, it is possible that it may not be counted as unpaid current support. However, this is open to federal interpretation. In order to avoid negative data reliability, the court must order the payment of lump sum obligations in fixed installments and must further deviate from the formula. If the court merely orders past due support as a lump sum to be paid in the future, it is not really future support. The court must find that the failure to pay support during an earlier time is a valid reason to deviate and order additional current support for a time sufficient to make up for the failure to pay support earlier. If the court does so, it must order the support for a specific fixed payment period. The court must also realize that the additional support could later be changed upon a showing of a change in circumstances.

The language to accomplish this would read like this:

The court finds that support pursuant to the formula is [amount pursuant to formula]. The court finds that application of the formula would be unjust or inappropriate because the payer did not pay support earlier when an obligation could have been imposed and that it is necessary to increase current support to an amount greater than the formula in order to alleviate the unjust result. The court further finds that establishing an arrearage would be unjust or inappropriate. Therefore, the court funds that the sum of \$\_\_\_\_ per month additional support should be paid for a period of \_\_\_\_ months. Thereafter, support should be [amount pursuant to formula] per month.

Acceleration language could be added to this as follows:

In the event the payer fails to pay support as and when it is due, to avoid further hardship that may accrue as a result of unpaid support, the friend of the court shall adjust the support records to include the entire unpaid additional support amount as an arrearage (computed by subtracting the formula monthly amount from the additional support monthly amount, times the number of months left to pay) as a current support amount due for the current month. This amount will become an arrearage upon no payment by the end of that month, and the friend of the court shall enforce the amount of the arrearage by any method allowed by law.